NRI Resources for Development

@*410. SHRI RAJUBHAI PARMAR:
SMT. VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) Whether Government have made an assessment of the enormous reserve of resources available with NRIs; and

(b) Whether any steps have been taken to explore the possibilities of securing NRI resources for development projects in India; if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Recognizing the resource potential at the disposal of Nou-Resident Indians, Government have extended to the Non-Resident Indians and Overseas Corporate Bodies a range of facilities for direct investments in industrial projects. They are now permitted to invest upto 100 per cent foreign equity in industries subject to certain conditions.

Industrial Undertaking Financed by IFCI

*411. DR. MURLI MANOHAR JOSHI:
SHRI RAM RATAN RAM:

Will the Minister of FINANCE be pleased to state:

(a) what are the names of Industrial Undartakings financed by the Industrial Finance Corporation of India which have been running into losses during the last five years;

(b) what is the amount of total loss to the IFCI because of the above units running into losses;

(c) whether the Directors of IFCI on the Boards of the above Companies have brought the losses to the notice of the IFCI; and

(d) what steps IFCI have taken to recover the loans from the above companies and in initiating codrective action for the revival of the above Units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The names of the industrial undertakings financed by the Industrial Finance Corporation of India (IFCI) which have been running into losses during the last five years cannot be disclosed in view of the Public Financial Institution (obligations as to Fidelity and Secrecy) Act, 1983.

(b) It is not possible to quantify the losses suffered by IFCI on account of these companies as the units incurring losses in one year need not necessarily be incurring losses in subsequent years and may start making profits. Similary companies might incur losses in the initial years of production and may stabilise and make profits in subsequent years. Further, since many of the loss making units are meeting the institutional obligations, they do not necessarily cause losses to IFCI.

(c) IFCI have appointed nominee directors on most of the companies who also report about losses incurred by these companies.

(d) Recovery of dues is a continuous process and the outstanding loan amounts are recovered by IFCI in accordance with the repayment schedules incorporated in the relevant documents. Whenever industrial concerns commit defaults in payment of dues to IFCI, necessary follow-up action is taken by discussing the problems with the promoters and chief executives of such concerns. The affairs of such concerns are also specially monitored through progress reports and site inspections. Depending upon the nature of problems faced by the units, suitable rehabilitation packages are extended in consultation with other participating institutions, banks and the promoters. Mergers with, or takeovers by, financially strong units are also worked out wherever possible. In case of failure

@Previously Starred Question 349, transferred from 17th December, 1992.